

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 604 - HB 645**

March 8, 2015

**SUMMARY OF BILL:** Enacts The Educator Protection Act of 2015 creating the Tennessee Educator Liability Fund authorizing excess professional liability insurance coverage for all teachers and student teachers. Requires the fund to be administered by the Board of Claims and protect against damages for claims arising out of the performance of teachers' and student teachers' duties within their scope of employment or assignment.

**ESTIMATED FISCAL IMPACT:**

**Increased State Expenditures - \$5,000,000/Non-Recurring**

**This amount will be allocated to the Educator Liability Fund with the presumption that it will remain in that fund in perpetuity or until expended.**

**\$5,000,000 in non-recurring state expenditures from the General Fund has been included in the Governor's proposed FY15-16 budget.**

Assumptions:

- According to the Department of Treasury, this bill will impact the department because the Board of Claims, which is administratively attached to the department, is authorized to administer the Tennessee Educator Liability Fund.
- Based on the information provided by the Department of Education, more than 78,000 teachers and 9,000 student teachers will be covered by the provisions contained in this bill.
- The Department of the Treasury has indicated that a fiscal impact is not quantifiable since there is no available specific risk or loss data history of lawsuits against teachers in Tennessee in which to benchmark the potential fiscal impact of providing professional liability insurance coverage.
- The Governor's proposed FY15-16 budget includes a non-recurring increase in state expenditures from the General Fund in the amount of \$5,000,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly legible.

Jeffrey L. Spalding, Executive Director

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